

**LEGISLATIVE SERVICES AGENCY
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FISCAL IMPACT STATEMENT

LS 6993

BILL NUMBER: HB 1837

NOTE PREPARED: May 8, 2003

BILL AMENDED: Apr 7, 2003

SUBJECT: Provider Assessments.

FIRST AUTHOR: Rep. Summers

FIRST SPONSOR: Sen. Miller

BILL STATUS: Enrolled

FUNDS AFFECTED: **GENERAL**
 X DEDICATED
 FEDERAL

IMPACT: State

Summary of Legislation: This bill allows the Office of Medicaid Policy and Planning to assess providers of supported living services and support to individuals with a developmental disability an amount not to exceed 2.5% of all service revenue included on the annual plan of care excluding resident living allowances. The bill creates the Community Services Quality Assurance Fund to be used for the funding of licensing, certification, and quality assurance services. It terminates assessment authority if federal financial participation ceases.

Effective Date: July 1, 2003.

Explanation of State Expenditures: The Division of Disability, Aging, and Rehabilitative Services (DDARS) has estimated the cost of the licensing, certification, and quality assurance activities to be funded by the assessment to be at least \$7.1 M for the Bureau of Quality Improvement Services. The bill establishes a new non-reverting fund within the state General Fund to be called the Community Services Quality Assurance Fund. Provider assessments are to be deposited in this account, which is limited to providing funding for specified activities. The bill does not contain an appropriation. The bill further specifies that Medicaid federal financial participation must be available. If it becomes unavailable, the authority to impose the assessments is terminated. Ultimately, the final expense would be dependent upon legislative or administrative action.

Explanation of State Revenues: This bill allows the Office of Medicaid Policy and Planning (OMPP) to assess providers of community-based services for individuals with developmental disabilities an amount estimated to raise a maximum of \$10.7 M in revenue, which would then be available as the state match for federal funds. The assessment revenue must be used to fund licensing, certification, and quality assurance

services. The aggregate amount of the fee may not exceed the state's estimated cost of operating the program. (See *Explanation of State Expenditures*.)

Explanation of Local Expenditures:

Explanation of Local Revenues:

State Agencies Affected: Family and Social Services Administration, Office of Medicaid Policy and Planning and the Division of Disability, Aging, and Rehabilitative Services.

Local Agencies Affected:

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